

BEFORE THE
WASHINGTON UTILITIES & TRANSPORTATION COMMISSION

DOCKET NO. UE-01_____

EXHIBIT NO. _____ (KON-13)

WITNESS: KELLY O. NORWOOD, AVISTA CORP

Exhibit No.____(KON-13)

Docket No. UE-_____

Market Report

Monday, December 11, 2000

Indexes and Transaction Record for 12/11/00

Explanations

Index — Volume-weighted average of all trades reported.

Absolute Low — Lowest trade reported.

Absolute High — Highest trade reported.

Trading Volume Reported — Volume of trades per hour for each of 16 peak hours. This figure is a total of all trading volume reported to MWD for each delivery site; because every effort is made to capture both sides of every deal reported, MWD recognizes that this figure includes duplicate volumes, and the figure should be used as a trend indicator not necessarily as an indicator for transmitted volumes.

Total Peak Volume — Volume for all peak hours, found by multiplying the trading volume by 16.

Number of Trades — This figure is calculated by dividing the trading volume reported by 50 MWh for all Central and East listings; numbers of trades for delivery points in the West are calculated by dividing by 25 MWh.

Methodology

The prices displayed in the table to the right are for power, in \$/MWh, traded at the delivery points and regions listed. Peak hours are 0600-2200 hrs.; PJM and New York peak hours are 0700-2300. Off-peak hours generally start at 2200 hrs. on the date before the delivery date and end at 0600 on the delivery date. Not included are 24-hour deals categorized in some NERC regions as off-peak hours over Saturdays and Sundays. Transactions at the hubs listed in the separate table at the top of this page are financially firm. Deals at other locations may be unit-firm or system-contingent, and may include capacity reservation charges. Transactional data is gathered from utilities, marketers, co-ops, brokers, municipals and government power agencies. Deals done in the West are excluded if done after 1015 hrs. PT; deals done in the East and Central areas are excluded if done after 1100 hrs. CT. The middle column is the volume-weighted average of all deals reported and should be used for indexing purposes. The common range represents pricing for most of the trading volume; the absolute range represents lowest and highest prices reported. Copyright 2000 by Financial Times Energy.

Trades for Standard 16-Hour Daily Products; all prices and volumes in \$/MWh

| Delivery Point | Weighted Average Index | Absolute Low | Absolute High | Trading Volume Reported | All Peak Hours Volume | Number of Trades Reported |
|----------------|------------------------|--------------|---------------|-------------------------|-----------------------|---------------------------|
| West | | | | | | |
| COB | \$3,000.00 | \$3,000.00 | \$3,000.00 | 25 | 400 | 1 |
| Four C | — | — | — | 0 | 0 | 0 |
| Mead, Nev. | — | — | — | 0 | 0 | 0 |
| Mid-Columbia | \$4,175.00 | \$3,000.00 | \$5,000.00 | 100 | 1,600 | 4 |
| NP15 | — | — | — | 0 | 0 | 0 |
| Palo Verde | \$395.00 | \$360.00 | \$425.00 | 75 | 1,200 | 3 |
| SP15 | \$350.00 | \$350.00 | \$350.00 | 25 | 400 | 1 |
| Central | | | | | | |
| ERCOT-B | \$65.59 | \$60.00 | \$75.00 | 850 | 13,600 | 17 |
| Ameren | — | — | — | 0 | 0 | 0 |
| Com Ed, into | \$44.39 | \$40.00 | \$52.00 | 900 | 14,400 | 18 |
| MAIN North | \$63.33 | \$58.00 | \$120.00 | 300 | 4,800 | 6 |
| MAIN South | — | — | — | 0 | 0 | 0 |
| MAPP North | \$60.94 | \$50.00 | \$75.00 | 160 | 2,560 | 3 |
| MAPP South | — | — | — | 0 | 0 | 0 |
| Entergy, into | \$67.40 | \$50.00 | \$76.00 | 2,000 | 32,000 | 40 |
| SPP | \$65.90 | \$58.00 | \$75.00 | 500 | 8,000 | 10 |
| East | | | | | | |
| Cinergy | \$48.47 | \$44.00 | \$53.00 | 6,550 | 104,800 | 131 |
| North ECAR | \$51.52 | \$45.00 | \$55.00 | 1,405 | 22,480 | 28 |
| PJM-West | \$49.01 | \$46.00 | \$54.00 | 2,800 | 44,800 | 56 |
| Nepool | \$74.00 | \$72.00 | \$80.00 | 500 | 8,000 | 10 |
| NY Zone G | \$67.50 | \$67.50 | \$67.50 | 200 | 3,200 | 4 |
| NY Zone A | \$57.85 | \$57.00 | \$59.00 | 600 | 9,600 | 12 |
| NY Zone J | \$81.00 | \$81.00 | \$81.00 | 50 | 800 | 1 |
| VaCar | \$46.00 | \$46.00 | \$46.00 | 150 | 2,400 | 3 |
| Southern | \$45.00 | \$45.00 | \$45.00 | 50 | 800 | 1 |
| TVA, into | \$43.92 | \$43.00 | \$47.00 | 1,200 | 19,200 | 24 |
| Fla.-Ga. | \$42.50 | \$40.00 | \$45.00 | 100 | 1,600 | 2 |
| Fla. in-state | — | — | — | 0 | 0 | 0 |

Trades for Standard Forward Products (all prices in \$/MWh)

| Delivery Point | Next Week | | Balance of Month | | Prompt Month | | Index | All pk. hrs. vol. | No. of Trades |
|----------------|----------------|-------|------------------|----------|--------------|--------|--------|-------------------|---------------|
| | 12/18 to 12/22 | | 12/12 to 12/31 | | 01/01 | | | | |
| | Low | High | Low | High | Low | High | | | |
| West | | | | | | | | | |
| COB | — | — | — | — | — | — | — | 0 | 0 |
| Mid-Columbia | — | — | — | 2,000.00 | 575.00 | 800.00 | 675.00 | 1,200 | 3 |
| NP15 | — | — | — | — | — | 320.00 | 320.00 | 400 | 1 |
| Palo Verde | — | — | — | — | 250.00 | 375.00 | 300.00 | 1,200 | 3 |
| SP15 | — | — | — | — | — | — | — | 0 | 0 |
| Central | | | | | | | | | |
| Com Ed, into | — | 75.00 | — | 68.00 | — | — | — | 0 | 0 |
| Entergy, into | — | — | — | — | — | — | — | 0 | 0 |
| East | | | | | | | | | |
| Cinergy, into | 72.00 | 85.00 | — | 70.00 | — | — | — | 0 | 0 |
| PJM-West | — | — | — | 61.00 | — | — | — | 0 | 0 |
| NEPOOL | 82.00 | 90.00 | 82.00 | 85.00 | — | — | — | 0 | 0 |
| NY Zone G | — | — | — | — | — | — | — | 0 | 0 |
| NY Zone A | 60.00 | 60.50 | — | — | — | — | — | 0 | 0 |
| NY Zone J | — | — | — | — | — | — | — | 0 | 0 |
| TVA, into | — | 66.00 | — | — | — | — | — | 0 | 0 |

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Ranges and Indexes of Trades for Standard Off-Peak Products

Delivery Date: 12/11/00

| | Wtd. Av. Index | Absolute Low | Absolute High | Trading Vol. Reported |
|----------------|----------------|--------------|---------------|-----------------------|
| West | | | | |
| COB | — | — | — | 0 |
| Four C | \$275.00 | \$275.00 | \$275.00 | 25 |
| Mead, Nev. | — | — | — | 0 |
| Mid-C | \$2,016.67 | \$1,550.00 | \$2,500.00 | 75 |
| NP15 | — | — | — | 0 |
| Palo Verde | \$275.00 | \$275.00 | \$275.00 | 25 |
| SP15 | — | — | — | 0 |
| Central | | | | |
| ERCOT-B | — | — | — | 0 |
| Ameren | — | — | — | 0 |
| Com Ed, into | \$19.00 | \$19.00 | \$19.00 | 300 |
| MAIN North | — | — | — | 0 |
| MAIN South | — | — | — | 0 |
| MAPP North | \$21.00 | \$21.00 | \$21.00 | 125 |
| MAPP South | \$20.00 | \$20.00 | \$20.00 | 100 |
| Entergy, into | — | — | — | 0 |
| SPP | \$17.04 | \$13.00 | \$23.50 | 260 |
| East | | | | |
| Cinergy | — | — | — | 0 |
| North ECAR | \$19.50 | \$19.00 | \$19.55 | 1,157 |
| PJM-West | — | — | — | 0 |
| Nepool | — | — | — | 0 |
| NY Zone G | — | — | — | 0 |
| NY Zone A | — | — | — | 0 |
| NY Zone J | — | — | — | 0 |
| VaCar | — | — | — | 0 |
| Southern | — | — | — | 0 |
| TVA, into | — | — | — | 0 |
| Fla.-Ga. | \$25.00 | \$25.00 | \$25.00 | 50 |
| Fla. in-state | — | — | — | 0 |

MGE, Alliant propose plant for university

A proposal between Madison Gas & Electric (MGE), Alliant Energy, the University of Wisconsin-Madison and Wisconsin's Department of Administration may result in a \$170 million, 90-to 100-MW, natural gas-fired power plant on school ground that could solve a long-term energy crunch facing both the university and the city, the parties said last week.

If the plant gets all approvals necessary, the two utilities will jointly plan and oversee construction of the facility, which is anticipated to start in summer 2002. Plant operation is expected to begin in late 2003 or spring 2004.

Once construction is complete, MGE would own the facility with a third-party investor but would retain full operational control. Alliant will act as project manager. Although not a specified owner, Alliant will be paid for its services, company representative Chris Schoenherr said.

The proposed site at the university has the necessary infrastructure in place to support the facility, including electric transmission lines, a power substation and natural gas lines. MCM

Dailies scream to \$5,000 at Mid-C, \$3,000 at COB

The relentless upswing in next-day prices prevailed, with dailies trading to \$5,000 at Mid-Columbia and \$3,000 at COB.

"This is history," one source said. "Someone who buys power at that price [\$5,000] is walking wounded. Actually, they're not even walking."

Overall, next-day volume was sparse. Deals arranged for today's delivery traded up to \$425 at Palo Verde and near \$350 at SP15.

In the bilateral market, off-peak for today traded near \$275 at Palo Verde and at Four Corners.

The extreme pressure on prices carried over into the term markets, where balance-of-the-month sold for \$2,000 at Mid-C and January there sold for \$800 for a third consecutive day.

Crippled by idled power plants and tight energy imports, the state's power grid strained to meet the load going into the weekend. The danger of blackouts, caused by cold weather and an unprecedented drop in the energy supply, was expected to grow severely today, as an Arctic front blows down the West Coast from Canada.

Going into the weekend, California Power Exchange prices for Saturday peak were \$251.23, with off-peak \$256.79 and the 24-hour weighted average at \$252.79. A day earlier, prices were fractions of a cent above \$250.

The Bonneville Power Administration had no surplus power to sell at least through Saturday.

Friday began with a Stage 2 declaration by the California Independent System Operator — the fifth such declaration in as many days and the ninth in three weeks.

Also firming up power prices was the cost of natural gas, which reached as high as \$63 at COB/Malin, Ore., \$61 at the Pacific Gas & Electric Citygate and \$55 at the Southern California Border.

At Palo Verde, January ranged \$250-\$375 and near \$320 at NP15.

Second-quarter 2001 traded as high as \$215 at Mid-C and in a tight range to \$190 at Palo Verde.

Third-quarter 2001 sold at or above \$290 at Palo Verde.

KW/NM

Transmission problems force Entergy to mid \$70s

Entergy dailies opened at \$50, about \$23 lower than the previous day's trades. However, they soon regained ground, passing the high from the day before.

By the end of the day deals were done at \$76, a net gain of \$1. Traders were not certain what was driving prices up, but suspected transmission constraints.

In MAIN, ComEd dailies fell even further, about \$16 to the low \$50s.

Off-peak sold near \$19.

Weekend trades moved in the low \$30s and off-peak sold in the low \$20s.

After undergoing a hot shutdown last week, ComEd's 828-MW nuke unit, Quad Cities 1, began powering back up after repairs.

Northern MAIN dailies moved around the low \$60s. However, the same unfortunate player who all last week caught the high deals paid around \$120 for a much-needed package. Weekend peak sold in the upper \$20s.

Ameren reported weekend off-peak deals near \$20.

Light weekend demand helped push northern MAPP dailies down about \$20, to \$75.

Central Generation Outage Report for December 11

Information from the Nuclear Regulatory Commission is sometimes outdated, and not all utilities respond to requests for verification of unit status. Copyright 2000 by FT Energy

| Unit Name, Operator | MW | NERC Region | Unit Status | Scheduled restart or outage date |
|------------------------|-----|-------------|--|----------------------------------|
| LaSalle 2 ComEd | 828 | MAIN | Nuclear; operating at 100% following Oct. 6 refueling outage | Full power Dec. 8 |
| Quad Cities 1 ComEd | 828 | MAIN | Nuclear; operating at 1% after hot shutdown Dec. 6 | Start up on Dec. 7 |

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